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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 3, 1998

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

CASE NO. PUE980813

Ex Parte: In the matter of
considering an electricity
retail access pilot program—
Virginia Electric and Power
Company

ORDER ESTABLISHING PROCEDURAL SCHEDULE

On March 20, 1998, the State Corporation Commission ("Commission") entered an Order establishing an investigation requiring various parties to perform activities and provide information to assist the Commission in moving forward in the evolving world of electric utility restructuring. Among other things, this Order required Virginia Electric and Power Company ("Virginia Power") and American Electric Power-Virginia ("AEP-VA") each to begin work toward implementing at least one retail access pilot program and study designed to address, at a minimum, the issues and concerns raised on pages 14 through 15 of the Staff's "Draft Working Model for Restructuring the Electric Utility Industry in Virginia," dated November 7, 1997. The Order mandated that Virginia Power and AEP-VA hold workshops with interested stakeholders to solicit input regarding the

proper structure and characteristics of such pilot programs and to file the details, objectives and characteristics of such proposed pilot programs on or before August 1, 1998. The Order noted that any necessary public hearings would be scheduled after this date to consider such proposals.

By Commission Order dated July 16, 1998, the time for filing the details, objectives and characteristics of the proposed pilot programs was extended to November 2, 1998, and Virginia Power and AEP-VA filed their proposed pilot programs ("Proposals") accordingly. The Proposals discuss, among other things, the pilot programs' objectives, customer participation parameters, pricing structures, geographical scope, consumer and supplier education issues, supplier participation guidelines, metering and billing issues, pilot program cost recovery, and utility tariffs, terms and conditions.

Additionally, in its Proposal, Virginia Power stated that the General Assembly must address several public policy issues prior to implementation of its pilot program. On November 16, 1998, the Commission issued an Order requiring Virginia Power to file a memorandum setting forth its justification for this assertion. In its November 23, 1998, memorandum, Virginia Power clarified that it seeks legislative guidance on issues surrounding retail competition but did not intend to suggest that the Commission was in any way precluded from moving forward

with the issues raised in Virginia Power's Proposal. Having considered this memorandum, the Commission believes that consideration of Virginia Power's pilot program should proceed at this time.

By separate order issued today in Case No. PUE980812, the Commission is establishing a proceeding to adopt interim rules to govern issues common in both natural gas and electricity retail access pilot programs, specifically, certification, codes of conduct, and standards of conduct governing relationships among entities participating in such programs. All other retail access pilot program issues will be dealt with in individual pilot program proceedings.

Upon consideration whereof, the Commission is of the opinion and finds that a proceeding should be established to address all outstanding issues relating to Virginia Power's Proposal that are not being considered in Case No. PUE980812. Among other things, this proceeding will address issues such as the size of the pilot program, rate unbundling, and the effects of the pilot program on tariffs. Accordingly,

IT IS ORDERED THAT:

- (1) This case be docketed and assigned Case No. PUE980813.
- (2) Virginia Power's *Power Choice Virginia* Retail Access Pilot Program and accompanying testimony filed on November 2,

1998, in Case No. PUE980138 will be deemed filed in this proceeding as of the date of this Order.

(3) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("the Rules"), 5 VAC 5-10-520, a Hearing Examiner be assigned to conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(4) A public hearing on the above named issues be held at 10:00 a.m. on June 29, 1999, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(5) On or before January 12, 1999, Virginia Power shall file any supplemental direct testimony relating to its Proposal.

(6) On or before January 29, 1999, all notices of protest, as required by Rule 5:16(a) of the Rules, 5 VAC 5-10-420(B), shall be filed with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and a copy simultaneously served on counsel to Virginia Power, Pamela Johnson, Esquire, P.O. Box 26666, Richmond, Virginia 23261, and Commission Staff.

(7) Within five days of receipt of a notice of protest, Virginia Power shall serve upon the filer a copy of this Order and a copy of its Proposal, along with any direct testimony and

exhibits, unless copies of these materials already have been provided to the filer.

(8) On or before May 10, 1999, each protestant shall file with the Clerk an original and fifteen (15) copies of its protest, as required by Rule 5:16(b), 5 VAC 5-10-420(C), and an original and fifteen (15) copies of the testimony and exhibits it intends to offer in support of its protest, and shall serve one (1) copy of the protest, testimony, and exhibits on counsel to Virginia Power at the above listed address and on all other parties and Commission Staff.

(9) The Commission Staff shall investigate these issues and, on or before June 11, 1999, shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(10) On or before June 18, 1999, Virginia Power may file with the Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties and Commission Staff.

(11) Rule 6:4, Interrogatories to Parties or Requests for Production of Documents and Things, 5 VAC 5-10-480, shall be modified for this proceeding to the extent that answers and

objections shall be served within ten (10) days after receipt of interrogatories.

(12) Virginia Power shall promptly make available for public inspection, at its business offices during regular hours, copies of this Order, its Proposal, and any prefiled direct testimony and exhibits accompanying the Proposal.

(13) On or before December 22, 1998, Virginia Power shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia.

NOTICE TO THE PUBLIC OF VIRGINIA ELECTRIC
AND POWER COMPANY, INC.'S PROPOSED
ELECTRICITY RETAIL ACCESS PILOT PROGRAM,
CASE NO. PUE980813

On November 2, 1998, Virginia Electric and Power Company, Inc. ("Virginia Power") filed with the State Corporation Commission ("Commission") a report containing the details, objectives and characteristics of its proposed electricity retail access pilot program ("Proposal"). In its Proposal, Virginia Power discusses, among other things, the pilot program's objectives, customer participation parameters, pricing structures, geographical scope, consumer and supplier education issues, supplier participation guidelines, metering and billing issues, pilot program cost recovery, and utility tariffs, terms and conditions.

The Commission has scheduled a public hearing on June 29, 1999, before a Hearing Examiner in the Commission's second floor courtroom, located in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence relevant to Virginia

Power's proposed pilot program. A copy of Virginia Power's Proposal is available for public inspection during regular business hours at all Virginia Power offices where customer bills may be paid, and from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to comment in writing on Virginia Power's Proposal may do so by directing such comments on or before May 10, 1999, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Those written comments must refer to Case No. PUE980813. Any person desiring to make a statement at the public hearing concerning Virginia Power's Proposal need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

On or before January 29, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rule" or "Rules"), 5 VAC 5-10-180, and to present evidence and cross-examine witnesses shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), 5 VAC 5-10-420(B), with the Clerk of the Commission at the address set forth below and shall serve a copy of the same upon Virginia Power and all other parties of record and Commission Staff. Service upon Virginia Power shall be directed to its counsel as follows: Pamela Johnson, Esquire, Virginia Electric and Power Company, P.O. Box 26666, Richmond, Virginia 23261.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a

Protestant pursuant to Rule 4:6, shall file on or before May 10, 1999, an original and fifteen (15) copies of a Protest conforming to Rule 5:16(b), 5 VAC 5-10-420(C), as well as the prepared testimony and exhibits the Protestant plans to offer at the June 29, 1999, hearing, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referring to Case No. PUE980813, and shall simultaneously send a copy thereof to counsel for Virginia Power at the address set out herein, and to any other Protestant and Commission Staff. Any corporate entity or other entity described in Rule 4:8, 5 VAC 5-10-200, that wishes to submit evidence, cross-examine witnesses or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8 of the Commission's Rules of Practice and Procedure.

Protestants should obtain a copy of the Commission's December 3, 1998, Order for full details of the procedural schedule established for this proceeding and for instructions regarding discovery and interrogatories. Copies of this Order may be obtained from the Clerk of this Commission at the address listed below.

All written communications to the Commission concerning the Company's application should be directed to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE980813.

Individuals with disabilities who require an accommodation to participate in the hearing may contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9026 (TDD). Individuals requesting accommodations should contact the Commission

at either of these numbers at least seven
(7) days before the scheduled hearing date.

VIRGINIA ELECTRIC AND POWER COMPANY, INC.

(14) On or before December 22, 1998, Virginia Power shall serve a copy of this Order on the Chairman of the Board of Supervisors of any county and upon the Mayor or Manager of any county, city, or town (or equivalent officials in counties, towns, and cities having alternate forms of government) within Virginia Power's service area affected by the proposed pilot program. Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(15) On or before January 29, 1999, Virginia Power shall provide the Commission with proof of newspaper publication and proof of notice as required by Ordering Paragraphs (13) and (14).